

House File 443 - Introduced

HOUSE FILE 443
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 73)

A BILL FOR

1 An Act providing for the future repeal of the state board of
2 tax review, providing for appeals to the director of revenue
3 for certain tax matters and modifying the powers and duties
4 of the director of revenue, and including effective date and
5 applicability provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

FUTURE REPEAL OF

STATE BOARD OF TAX REVIEW — TRANSITION

Section 1. Section 421.1, Code 2015, is amended by adding the following new subsection:

NEW SUBSECTION. 6. *Future repeal.*

a. Notwithstanding subsection 5 or any other provision of law to the contrary, a party shall not appeal to the state board, nor shall the state board accept for review, any decision, order, directive, or assessment of the director of revenue or the department on or after the effective date of this division of this Act.

b. This section is repealed upon the occurrence of one of the following, whichever is earlier:

(1) The final disposition by the state board of all cases pending before the board on the effective date of this division of this Act. The chairperson of the board shall notify the Iowa Code editor upon the occurrence of this condition.

(2) July 1, 2016.

Sec. 2. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

CORRESPONDING CHANGES

Sec. 3. Section 68B.35, subsection 2, paragraph e, Code 2015, is amended to read as follows:

e. Members of the state banking council, the ethics and campaign disclosure board, the credit union review board, the economic development authority, the employment appeal board, the environmental protection commission, the health facilities council, the Iowa finance authority, the Iowa public employees' retirement system investment board, the board of the Iowa lottery authority, the natural resource commission, the board of parole, the petroleum underground storage tank fund board, the public employment relations board, the state racing and

1 gaming commission, the state board of regents, ~~the tax review~~
 2 ~~board~~, the transportation commission, the office of consumer
 3 advocate, the utilities board, the Iowa telecommunications
 4 and technology commission, and any full-time members of other
 5 boards and commissions as defined under section 7E.4 who
 6 receive an annual salary for their service on the board or
 7 commission. The Iowa ethics and campaign disclosure board
 8 shall conduct an annual review to determine if members of any
 9 other board, commission, or authority should file a statement
 10 and shall require the filing of a statement pursuant to rules
 11 adopted pursuant to chapter 17A.

12 Sec. 4. Section 421.17, subsection 19, paragraph b, Code
 13 2015, is amended to read as follows:

14 b. (1) The provisions of sections 17A.10 to 17A.18A
 15 relating to contested cases shall not apply to any matters
 16 involving the equalization of valuations of classes of property
 17 as authorized by this chapter and chapter 441.

18 (2) (a) This exemption from the provisions of sections
 19 17A.10 to 17A.18A shall not apply to a hearing before the state
 20 board of tax review.

21 (b) This subparagraph is repealed July 1, 2016.

22 (3) This exemption from the provisions of sections 17A.10
 23 to 17A.18A shall not apply to a hearing before the director as
 24 provided in section 441.49, subsection 5.

25 Sec. 5. Section 421.60, subsection 4, paragraph a,
 26 unnumbered paragraph 1, Code 2015, is amended to read as
 27 follows:

28 A prevailing taxpayer in an administrative hearing or a
 29 court proceeding related to the determination, collection, or
 30 refund of a tax, penalty, or interest may be awarded reasonable
 31 litigation costs by the department, ~~state board of tax review,~~
 32 or a court, that are incurred subsequent to the issuance of
 33 the notice of assessment or denial of claim for refund in the
 34 proceeding, based upon the following:

35 Sec. 6. Section 425.7, subsection 3, Code 2015, is amended

1 to read as follows:

2 3. a. If the ~~director~~ department of revenue determines
3 that a claim for homestead credit has been allowed by the board
4 of supervisors which is not justifiable under the law and not
5 substantiated by proper facts, the ~~director~~ department may, at
6 any time within thirty-six months from July 1 of the year in
7 which the claim is allowed, set aside the allowance. Notice
8 of the disallowance shall be given to the county auditor of
9 the county in which the claim has been improperly granted and
10 a written notice of the disallowance shall also be addressed
11 to the claimant at the claimant's last known address. The
12 claimant or board of supervisors may appeal to the ~~state board~~
13 ~~of tax review pursuant to section 421.1, subsection 5~~
14 director of revenue within thirty days from the date of the
15 notice of disallowance. The director shall grant a hearing
16 and if, upon the hearing, the director determines that the
17 disallowance was incorrect, the director shall set aside the
18 disallowance. The director shall notify the claimant and
19 the board of supervisors of the result of the hearing. The
20 claimant or the board of supervisors may seek judicial review
21 of the action of the ~~state board of tax review~~ director of
22 revenue in accordance with chapter 17A.

23 b. If a claim is disallowed by the ~~director~~ department
24 of revenue and not appealed to the ~~state board of tax review~~
25 director of revenue or appealed to the ~~state board of tax~~
26 ~~review~~ director of revenue and thereafter upheld upon final
27 resolution, including any judicial review, any amounts of
28 credits allowed and paid from the homestead credit fund
29 including the penalty, if any, become a lien upon the property
30 on which credit was originally granted, if still in the hands
31 of the claimant, and not in the hands of a bona fide purchaser,
32 and any amount so erroneously paid including the penalty, if
33 any, shall be collected by the county treasurer in the same
34 manner as other taxes and the collections shall be returned to
35 the department of revenue and credited to the homestead credit

1 fund. The director of revenue may institute legal proceedings
2 against a homestead credit claimant for the collection of
3 payments made on disallowed credits and the penalty, if any.
4 If a person makes a false claim or affidavit with fraudulent
5 intent to obtain the homestead credit, the person is guilty
6 of a fraudulent practice and the claim shall be disallowed in
7 full. If the credit has been paid, the amount of the credit
8 plus a penalty equal to twenty-five percent of the amount of
9 credit plus interest, at the rate in effect under section
10 421.7, from the time of payment shall be collected by the
11 county treasurer in the same manner as other property taxes,
12 penalty, and interest are collected and when collected shall
13 be paid to the director of revenue. If a homestead credit is
14 disallowed and the claimant failed to give written notice to
15 the assessor as required by section 425.2 when the property
16 ceased to be used as a homestead by the claimant, a civil
17 penalty equal to five percent of the amount of the disallowed
18 credit is assessed against the claimant.

19 Sec. 7. Section 425.17, subsection 3, Code 2015, is amended
20 to read as follows:

21 3. "*Gross rent*" means rental paid at arm's length for the
22 right of occupancy of a homestead or manufactured or mobile
23 home, including rent for space occupied by a manufactured or
24 mobile home not to exceed one acre. If the ~~director~~ department
25 of revenue determines that the landlord and tenant have
26 not dealt with each other at arm's length, and the ~~director~~
27 department of revenue is satisfied that the gross rent charged
28 was excessive, the ~~director~~ department shall adjust the gross
29 rent to a reasonable amount as determined by the ~~director~~
30 department.

31 Sec. 8. Section 425.18, Code 2015, is amended to read as
32 follows:

33 **425.18 Right to file a claim.**

34 The right to file a claim for reimbursement or credit under
35 this division may be exercised by the claimant or on behalf

1 of a claimant by the claimant's legal guardian, spouse, or
 2 attorney, or by the executor or administrator of the claimant's
 3 estate. If a claimant dies after having filed a claim for
 4 reimbursement for rent constituting property taxes paid, the
 5 amount of the reimbursement may be paid to another member of
 6 the household as determined by the ~~director~~ department of
 7 revenue. If the claimant was the only member of the household,
 8 the reimbursement may be paid to the claimant's executor or
 9 administrator, but if neither is appointed and qualified
 10 within one year from the date of the filing of the claim, the
 11 reimbursement shall escheat to the state. If a claimant dies
 12 after having filed a claim for credit for property taxes due,
 13 the amount of credit shall be paid as if the claimant had not
 14 died.

15 Sec. 9. Section 425.26, subsection 2, Code 2015, is amended
 16 to read as follows:

17 2. The ~~director~~ department may require any additional proof
 18 necessary to support a claim.

19 Sec. 10. Section 425.27, Code 2015, is amended to read as
 20 follows:

21 **425.27 Audit — recalculation or denial — appeals.**

22 If on the audit of a claim for credit or reimbursement
 23 under this division, the ~~director~~ department of revenue
 24 determines the amount of the claim to have been incorrectly
 25 calculated or that the claim is not allowable, the ~~director~~
 26 department shall recalculate the claim and notify the claimant
 27 of the recalculation or denial and the reasons for it. The
 28 recalculation of the claim shall be final unless appealed to
 29 the director within thirty days from the date of notice of
 30 recalculation or denial. The director shall grant a hearing,
 31 and upon hearing determine the correct claim, if any, and
 32 notify the claimant of the decision by mail. The ~~director~~
 33 department of revenue shall not adjust a claim after three
 34 years from October 31 of the year in which the claim was filed.
 35 If the claim for reimbursement has been paid, the amount may

1 be recovered by assessment in the same manner that income
 2 taxes are assessed under sections 422.26 and 422.30. If the
 3 claim for credit has been paid, the ~~director~~ department of
 4 revenue shall give notification to the claimant and the county
 5 treasurer of the recalculation or denial of the claim and the
 6 county treasurer shall proceed to collect the tax owed in
 7 the same manner as other property taxes due and payable are
 8 collected, if the property on which the credit was granted
 9 is still owned by the claimant, and repay the amount to
 10 the director upon collection. If the property on which the
 11 credit was granted is not owned by the claimant, the amount
 12 may be recovered from the claimant by assessment in the same
 13 manner that income taxes are assessed under sections 422.26
 14 and 422.30. The ~~recalculation of the claim~~ decision of the
 15 director shall be final unless appealed as provided in section
 16 425.31. Section 422.70 is applicable with respect to this
 17 division.

18 Sec. 11. Section 425.29, Code 2015, is amended to read as
 19 follows:

20 **425.29 False claim — penalty.**

21 A person who makes a false affidavit for the purpose
 22 of obtaining credit or reimbursement provided for in this
 23 division or who knowingly receives the credit or reimbursement
 24 without being legally entitled to it or makes claim for the
 25 credit or reimbursement in more than one county in the state
 26 without being legally entitled to it is guilty of a fraudulent
 27 practice. The claim for credit or reimbursement shall be
 28 disallowed in full and if the claim has been paid the amount
 29 shall be recovered in the manner provided in section 425.27.
 30 The ~~director~~ department of revenue shall send a notice of
 31 disallowance of the claim.

32 Sec. 12. Section 425.31, Code 2015, is amended to read as
 33 follows:

34 **425.31 Appeals.**

35 Any person aggrieved by an act or decision of the director

1 of revenue or the department of revenue under this division
2 shall have the same rights of appeal and review as provided
3 in ~~sections 421.1 and~~ section 423.38 and the rules of the
4 department of revenue.

5 Sec. 13. Section 426A.6, Code 2015, is amended to read as
6 follows:

7 **426A.6 Setting aside allowance.**

8 If the ~~director~~ department of revenue determines that a
9 claim for military service tax exemption has been allowed by a
10 board of supervisors which is not justifiable under the law and
11 not substantiated by proper facts, the ~~director~~ department may,
12 at any time within thirty-six months from July 1 of the year in
13 which the claim is allowed, set aside the allowance. Notice
14 of the disallowance shall be given to the county auditor of
15 the county in which the claim has been improperly granted and
16 a written notice of the disallowance shall also be addressed
17 to the claimant at the claimant's last known address. The
18 claimant or the board of supervisors may appeal to the ~~state~~
19 ~~board of tax review pursuant to section 421.1, subsection 5~~
20 director of revenue within thirty days from the date of the
21 notice of disallowance. The director shall grant a hearing
22 and if, upon the hearing, the director determines that the
23 disallowance was incorrect, the director shall set aside
24 the disallowance. The director shall notify the claimant
25 and the board of supervisors of the result of the hearing.
26 The claimant or the board of supervisors may seek judicial
27 review of the action of the ~~state board of tax review~~ director
28 of revenue in accordance with chapter 17A. If a claim is
29 disallowed by the ~~director~~ department of revenue and not
30 appealed to the ~~state board of tax review~~ director of revenue
31 or appealed to the ~~state board of tax review~~ director of
32 revenue and thereafter upheld upon final resolution, including
33 judicial review, the credits allowed and paid from the general
34 fund of the state become a lien upon the property on which
35 the credit was originally granted, if still in the hands of

1 the claimant and not in the hands of a bona fide purchaser,
 2 the amount so erroneously paid shall be collected by the
 3 county treasurer in the same manner as other taxes, and the
 4 collections shall be returned to the department of revenue
 5 and credited to the general fund of the state. The director
 6 of revenue may institute legal proceedings against a military
 7 service tax exemption claimant for the collection of payments
 8 made on disallowed exemptions.

9 Sec. 14. Section 426C.7, Code 2015, is amended to read as
 10 follows:

11 **426C.7 Audit — recalculation or denial.**

12 1. If on the audit of a credit provided under this chapter,
 13 the ~~director~~ department of revenue determines the amount of the
 14 credit to have been incorrectly calculated or that the credit
 15 is not allowable, the ~~director~~ department shall recalculate the
 16 credit and notify the claimant and the county auditor of the
 17 recalculation or denial and the reasons for it. The ~~director~~
 18 department shall not adjust a credit after three years from
 19 October 31 of the year in which the claim for the credit was
 20 filed. If the credit has been paid, the ~~director~~ department
 21 shall give notification to the claimant, the county treasurer,
 22 and the applicable assessor of the recalculation or denial of
 23 the credit and the county treasurer shall proceed to collect
 24 the tax owed in the same manner as other property taxes due
 25 and payable are collected, if the parcel or property unit for
 26 which the credit was allowed is still owned by the claimant.
 27 If the parcel or property unit for which the credit was allowed
 28 is not owned by the claimant, the amount may be recovered from
 29 the claimant by assessment in the same manner that income taxes
 30 are assessed under sections 422.26 and 422.30. The amount of
 31 such erroneous credit, when collected, shall be deposited in
 32 the fund.

33 2. The claimant or board of supervisors may appeal any
 34 decision of the ~~director~~ department of revenue to the ~~state~~
 35 ~~board of tax review pursuant to section 421.1, subsection 5~~

1 director of revenue within thirty days from the date of the
 2 notice of the recalculation or denial provided to the claimant
 3 and county auditor. The director shall grant a hearing, and
 4 upon hearing the director shall determine the correct credit,
 5 if any, and notify the claimant, board of supervisors, county
 6 auditor, and county treasurer of the decision by mail. The
 7 claimant, ~~or the board of supervisors, or the director of~~
 8 ~~revenue~~ may seek judicial review of the action of the ~~state~~
 9 ~~board of tax review~~ director of revenue in accordance with
 10 chapter 17A.

11 Sec. 15. Section 426C.8, Code 2015, is amended to read as
 12 follows:

13 **426C.8 False claim — penalty.**

14 A person who makes a false claim for the purpose of obtaining
 15 a credit provided for in this chapter or who knowingly receives
 16 the credit without being legally entitled to it is guilty of a
 17 fraudulent practice. The claim for a credit of such a person
 18 shall be disallowed and if the credit has been paid the amount
 19 shall be recovered in the manner provided in section 426C.7.
 20 In such cases, the ~~director~~ department of revenue shall send a
 21 notice of disallowance of the credit.

22 Sec. 16. Section 428.28, Code 2015, is amended to read as
 23 follows:

24 **428.28 Annual report by utility.**

25 1. Every individual, partnership, corporation, or
 26 association operating for profit, waterworks, other than
 27 waterworks taxed under chapter 437B, or gasworks or pipelines
 28 other than natural gas pipelines permitted pursuant to
 29 chapter 479, annually on or before May 1 of each calendar
 30 year, shall make a report on blanks to be provided by the
 31 department of revenue of all of the property owned by such
 32 individual, partnership, corporation, or association within the
 33 incorporated limits of any city in the state, and give such
 34 other information as the ~~director~~ department of revenue shall
 35 require.

1 2. Every individual, partnership, corporation, or
 2 association which operates a public utility on a nonprofit
 3 basis other than a utility subject to tax under chapter 437A
 4 or chapter 437B, as defined in section 428.24 shall annually,
 5 on or before May 1 of each calendar year, make a report on
 6 blanks to be provided by the department of revenue of all of
 7 the property owned by the individual, partnership, corporation,
 8 or association within the incorporated limits of any city in
 9 the state, and give other information the ~~director~~ department
 10 of revenue requires.

11 Sec. 17. Section 428.29, Code 2015, is amended to read as
 12 follows:

13 **428.29 Assessment and certification.**

14 The ~~director~~ department of revenue shall on or before
 15 October 31 each year proceed to determine, upon the basis
 16 of the data required in the report under section 428.28 and
 17 any other information the ~~director~~ department may obtain,
 18 the actual value of all property, subject to the ~~director's~~
 19 department's jurisdiction, of said individual, partnership,
 20 corporation, or association, and shall make assessments upon
 21 the taxable value of the property, as provided by section
 22 441.21. The ~~director~~ department of revenue shall, on or before
 23 October 31, certify to the county auditor of every county in
 24 the state the valuations fixed for assessment upon all such
 25 property in each and every taxing district in each county by
 26 the department of revenue. This valuation shall then be spread
 27 upon the books in the same manner as other valuations fixed
 28 by the department of revenue upon property assessed under the
 29 department's jurisdiction.

30 Sec. 18. Section 429.1, Code 2015, is amended to read as
 31 follows:

32 **429.1 Notice of assessment.**

33 The ~~director~~ department of revenue shall, at the time of
 34 making the assessment of property as provided in chapters 428,
 35 433, 434, 437, and 438, inform the person assessed, by mail,

1 of the valuation put upon the taxpayer's property. The notice
2 shall contain a notice of the taxpayer's right of appeal to the
3 ~~state board of tax review~~ director of revenue as provided in
4 section 429.2.

5 Sec. 19. Section 429.2, Code 2015, is amended to read as
6 follows:

7 **429.2 Appeal.**

8 1. ~~Notwithstanding the provisions of chapter 17A, the~~ The
9 taxpayer shall have thirty days from the date of the notice of
10 assessment to appeal the assessment to the ~~state board of tax~~
11 ~~review~~ director of revenue. Thereafter, the proceedings before
12 the ~~state board of tax review~~ director of revenue shall conform
13 to the provisions of subsection 2, ~~section 421.1, subsection~~
14 ~~5,~~ and chapter 17A.

15 2. The following rules shall apply to the appeal proceedings
16 in addition to those stated in ~~section 421.1, subsection 5, and~~
17 chapter 17A:

18 a. The department's assessment shall be presumed correct
19 and the burden of proof shall be on the taxpayer with respect
20 to all issues raised on appeal, including any challenge of the
21 ~~director's~~ department's valuation.

22 b. The burden of proof must be carried by a preponderance of
23 the evidence.

24 c. The ~~board~~ director of revenue shall consider all evidence
25 and witnesses offered by the taxpayer and ~~the department,~~
26 including, but not limited to, evidence relating to the proper
27 valuation of the property involved.

28 d. The ~~board~~ director of revenue shall make an independent
29 determination of the value of the property based solely upon
30 ~~its~~ the director's review of the evidence presented.

31 e. Upon the request of a party, the board director of
32 revenue shall set the case for hearing within one year of
33 the date of the request, unless for good cause shown, by
34 application and ruling thereon after notice and not ex parte,
35 the hearing date is continued by the ~~board~~ director of revenue.

1 Sec. 20. Section 429.3, Code 2015, is amended to read as
2 follows:

3 **429.3 Judicial review.**

4 Judicial review of the action of the ~~state board of tax~~
5 ~~review~~ director of revenue may be sought by the taxpayer ~~or the~~
6 ~~director of revenue~~ in accordance with the terms of chapter
7 17A.

8 Sec. 21. Section 433.1, unnumbered paragraph 1, Code 2015,
9 is amended to read as follows:

10 Every telegraph and telephone company operating a line in
11 this state shall, on or before the first day of May in each
12 year, furnish to the ~~director~~ department of revenue a statement
13 verified by its president or secretary showing:

14 Sec. 22. Section 433.2, Code 2015, is amended to read as
15 follows:

16 **433.2 Additional statement.**

17 Upon the receipt of the statements required in section 433.1
18 from the several companies, the ~~director~~ department of revenue
19 shall examine the statements. If the ~~director~~ department deems
20 the statements insufficient and that further information is
21 requisite, the ~~director~~ department shall require the officer
22 making the statements to make such other or further statement
23 as the ~~director~~ department may desire.

24 Sec. 23. Section 433.3, Code 2015, is amended to read as
25 follows:

26 **433.3 Failure to make statement.**

27 In case of failure or refusal of any company to make out or
28 deliver to the ~~director~~ department of revenue the statements
29 required in section 433.1, such company shall forfeit and pay
30 to the state one hundred dollars for each day such report is
31 delayed beyond the first day of May, to be sued and recovered
32 in any proper form of action in the name of the state, and on
33 the relation of the director of revenue, and such penalty, when
34 collected, shall be paid into the general fund of the state.

35 Sec. 24. Section 433.4, subsection 1, Code 2015, is amended

1 to read as follows:

2 1. The ~~director~~ department of revenue shall on or before
3 October 31 each year, find the actual value of the property of
4 telegraph and telephone companies in this state that is used
5 by the companies in the transaction of telegraph and telephone
6 business, taking into consideration the information obtained
7 from the statements required, and any further information the
8 ~~director~~ department can obtain, using the same as a means for
9 determining the actual value of the property of the companies
10 within this state. The ~~director~~ department shall also take
11 into consideration the valuation of all property of the
12 companies, including franchises and the use of the property
13 in connection with lines outside the state, and making these
14 deductions as may be necessary on account of extra value of
15 property outside the state as compared with the value of
16 property in the state, in order that the actual value of the
17 property of the company within this state may be ascertained.
18 The assessment shall include all property of every kind
19 and character whatsoever, real, personal, or mixed, used by
20 the companies in the transaction of telegraph and telephone
21 business. The property so included in the assessment shall not
22 be taxed in any other manner than as provided in this chapter.

23 Sec. 25. Section 433.5, Code 2015, is amended to read as
24 follows:

25 **433.5 Actual value per mile — exemption value per mile.**

26 1. The ~~director~~ department of revenue shall ascertain the
27 actual value per mile of the property of each company within
28 this state by dividing the total actual value, as ascertained
29 under section 433.4, subsection 1, by the number of miles of
30 line of such company within the state, and the result shall be
31 deemed and held to be the actual value per mile of line of the
32 property of such company within this state.

33 2. The ~~director~~ department of revenue shall ascertain the
34 exemption value per mile of the property of each company within
35 this state by dividing the amount of the exemption for that

1 company determined under section 433.4, subsection 2, by the
2 number of miles of line of such company within the state, and
3 the result shall be deemed and held to be the exemption value
4 per mile of line for that company.

5 Sec. 26. Section 433.7, Code 2015, is amended to read as
6 follows:

7 **433.7 Hearing.**

8 At the time of determination of value by the ~~director~~
9 department of revenue, any company interested shall have the
10 right to appear, by its officers or agents, before the ~~director~~
11 department of revenue and be heard on the question of the
12 valuation of its property for taxation.

13 Sec. 27. Section 433.8, Code 2015, is amended to read as
14 follows:

15 **433.8 Assessment in each county — how certified.**

16 The ~~director~~ department of revenue shall, for the purpose
17 of determining what amount shall be assessed to each company
18 in each county of the state into which the line of the said
19 company extends, certify to the several county auditors of the
20 respective counties into, over, or through which said line
21 extends the number of miles of line in the county for that
22 company, the actual value per mile of line for that company,
23 and the exemption value per mile of line for that company.

24 Sec. 28. Section 433.9, Code 2015, is amended to read as
25 follows:

26 **433.9 Entry of certificate.**

27 At the first meeting of the board of supervisors held after
28 the certification made under section 433.8 is received by
29 the county auditor, the board shall cause such certification
30 to be entered in its minute book, and make and enter therein
31 an order stating the length of the lines, the actual value
32 of the property, and the exempted value of the property of
33 each of said companies situated in each city, township, or
34 lesser taxing district in its county, as fixed by the ~~director~~
35 department of revenue. The value certified by the ~~director~~

1 department of revenue, following application of the percentage
2 of actual value under section 441.21, and following the
3 application of the exemption value certified by the ~~director~~
4 department of revenue, shall constitute the taxable value
5 of said property for taxing purposes, and the taxes on said
6 property when collected by the county treasurer shall be
7 disposed of as other taxes on real estate. The county auditor
8 shall transmit a copy of said order to the council or trustees
9 of each city or township in which the lines of said company
10 extend.

11 Sec. 29. Section 434.2, unnumbered paragraph 1, Code 2015,
12 is amended to read as follows:

13 On or before October 31 each year, the ~~director~~ department
14 of revenue shall assess all the property of each railway
15 corporation in the state, excepting the lands, lots, and other
16 real estate belonging thereto not used in the operation of any
17 railway, and excepting railway bridges across the Mississippi
18 and Missouri rivers, and excepting grain elevators; and for
19 the purpose of making such assessment its president, vice
20 president, general manager, general superintendent, receiver,
21 or such other officer as the ~~director~~ department of revenue
22 may designate, shall, on or before the first day of April
23 in each year, furnish the department of revenue a verified
24 statement showing in detail for the year ended December 31 next
25 preceding:

26 Sec. 30. Section 434.2, subsection 8, Code 2015, is amended
27 to read as follows:

28 8. Any and all other movable property owned by said railway
29 within the state, classified and scheduled in such manner as
30 may be required by the ~~director~~ department of revenue.

31 Sec. 31. Section 434.12, Code 2015, is amended to read as
32 follows:

33 **434.12 Refusal to obey.**

34 If any railway company shall fail or refuse to obey or
35 conform to the rules, regulations, method, and requirements

1 so made or prescribed by the director of revenue under the
2 provisions of sections 434.7 to 434.11 or to make the reports
3 therein provided, the ~~director~~ department of revenue shall
4 proceed to assess the property of such railway company so
5 failing or refusing, according to the best information
6 obtainable, and shall then add to the taxable valuation of such
7 railway company twenty-five percent thereof, which valuation
8 and penalty shall be separately shown, and together shall
9 constitute the assessment for that year.

10 Sec. 32. Section 434.14, Code 2015, is amended to read as
11 follows:

12 **434.14 Amended statement.**

13 The ~~director~~ department of revenue may demand, in writing,
14 detailed, explanatory, and amended statements of any of the
15 items mentioned in section 434.2, or any other items deemed by
16 the ~~director~~ department important, to be furnished the ~~director~~
17 department by such railway corporation within thirty days
18 from such demand, in such form as the ~~director~~ department may
19 designate, which shall be verified as required for the original
20 statement. The returns, both original and amended, shall show
21 such other facts as the ~~director~~ department, in writing, shall
22 require.

23 Sec. 33. Section 434.15, unnumbered paragraph 1, Code 2015,
24 is amended to read as follows:

25 The said property shall be valued at its actual value, and
26 the assessments shall be made upon the taxable value of the
27 entire railway within the state, except as otherwise provided,
28 and the actual value so ascertained shall be assessed as
29 provided by section 441.21, and shall include the right-of-way,
30 roadbed, bridges, culverts, rolling stock, depots, station
31 grounds, shops, buildings, gravel beds, and all other property,
32 real and personal, exclusively used in the operation of such
33 railway. In assessing said railway and its equipments, the
34 ~~director~~ department of revenue shall take into consideration
35 the gross earnings per mile for the year ending January 1,

1 preceding, and any and all other matters necessary to enable
 2 the ~~director~~ department to make a just and equitable assessment
 3 of said railway property. If a part of any railway is without
 4 this state, then, in estimating the value of its rolling stock
 5 and movable property, the ~~director~~ department shall take into
 6 consideration the proportion which the business of that part
 7 of the railway lying within the state bears to the business of
 8 the railway without this state.

9 Sec. 34. Section 434.16, Code 2015, is amended to read as
 10 follows:

11 **434.16 Assessment of sleeping and dining cars.**

12 The ~~director~~ department of revenue shall, at the time of
 13 the assessment of other railway property for taxation, assess
 14 for taxation the average number of sleeping and dining cars
 15 as provided in section 434.6 so used by such corporation each
 16 month and the assessed value of said cars shall bear the same
 17 proportion to the entire value thereof that the monthly average
 18 number of miles such cars have been run or operated within
 19 the state shall bear to the monthly average number of miles
 20 such cars have been used or operated within and without the
 21 state. Such valuation shall be in the same ratio as that of
 22 the property of individuals, and shall be added to the assessed
 23 valuation of the corporation, fixed under section 434.15.

24 Sec. 35. Section 434.17, Code 2015, is amended to read as
 25 follows:

26 **434.17 Certification to county auditors.**

27 On or before October 31 each year, the ~~director~~ department of
 28 revenue shall transmit to the county auditor of each county,
 29 through and into which any railway may extend, a statement
 30 showing the length of the main track within the county, and
 31 the assessed value per mile of the same, as fixed by a ratable
 32 distribution per mile of the assessed valuation of the whole
 33 property.

34 Sec. 36. Section 434.22, Code 2015, is amended to read as
 35 follows:

1 **434.22 Levy and collection of tax.**

2 At the first meeting of the board of supervisors held after
 3 said statement is received by the county auditor, the board
 4 shall cause the same to be entered on its minute book, and make
 5 and enter in the minute book an order stating the length of
 6 the main track and the assessed value of each railway lying in
 7 each city, township, or lesser taxing district in its county,
 8 through or into which the railway extends, as fixed by the
 9 ~~director~~ department of revenue, which shall constitute the
 10 taxable value of the property for taxing purposes; and the
 11 taxes on the property, when collected by the county treasurer,
 12 shall be disposed of as other taxes. The county auditor shall
 13 transmit a copy of the order to the council or trustees of the
 14 city or township.

15 Sec. 37. Section 437.2, unnumbered paragraph 1, Code 2015,
 16 is amended to read as follows:

17 Every company owning or operating a transmission line or
 18 lines for the conduct of electric energy and which line or
 19 lines are located within the state, and which said line or
 20 lines are also located wholly or partly outside cities, shall,
 21 on or before the first day of May in each year, furnish to the
 22 ~~director~~ department of revenue a verified statement as to its
 23 entire line or lines within this state, when all of said line
 24 or lines are located outside cities, and as to such portion
 25 of its line or lines within this state as are located outside
 26 cities, when such line or lines are located partly outside and
 27 partly inside cities, showing:

28 Sec. 38. Section 437.4, Code 2015, is amended to read as
 29 follows:

30 **437.4 Additional statement.**

31 Upon receipt of the statements from the companies, the
 32 ~~director~~ department of revenue shall examine the statements,
 33 and if the ~~director~~ department deems them insufficient, and
 34 that further information is required, the ~~director~~ department
 35 shall require the company making the statements to make

1 other or further statement as the ~~director~~ department deems
2 necessary, notifying the company by mail.

3 Sec. 39. Section 437.5, Code 2015, is amended to read as
4 follows:

5 **437.5 Failure to furnish.**

6 In case of the total failure or refusal to make any statement
7 required by sections 437.2 and 437.4 to be made by May 1 in
8 any year, or of failure or refusal to make other or further
9 statement within thirty days from the time the notice is
10 received by the company that the additional statement is
11 required by the ~~director~~ department of revenue, the company
12 shall forfeit and pay to the state, one hundred dollars for
13 each day the total failure or refusal to make any report is
14 continued beyond the first day of May of the year in which it is
15 required, or in case of any other or further report required
16 by the ~~director~~ department for each day it is delayed beyond
17 thirty days from the receipt of the notice by the company that
18 the additional report is required. The forfeiture shall be
19 sued for and recovered in any proper form of action in the name
20 of the state and on relation of the director of revenue of the
21 state, and the penalty, when collected, shall be paid into the
22 general fund of the state.

23 Sec. 40. Section 437.6, Code 2015, is amended to read as
24 follows:

25 **437.6 Actual value.**

26 On or before October 31 each year, the ~~director~~ department of
27 revenue shall proceed to find the actual value of that part of
28 such transmission line or lines referred to in section 437.2,
29 owned or operated by any company, that is located within this
30 state but outside cities, including the whole of such line
31 or lines when all of such line or lines owned or operated by
32 said company is located wholly outside of cities, taking into
33 consideration the information obtained from the statements
34 required by this chapter, and any further information
35 obtainable, using the same as a means of determining the

1 actual cash value of such transmission line or lines or part
 2 thereof, within this state, located outside of cities. The
 3 ~~director~~ department shall then ascertain the value per mile
 4 of such transmission line or lines owned or operated by each
 5 company specified in section 437.2, by dividing the total value
 6 as above ascertained by the number of miles of line of such
 7 company within the state located outside of cities, and the
 8 result shall be deemed and held to be the actual value per mile
 9 of said transmission line or lines of each of said companies
 10 within the state located outside of cities.

11 Sec. 41. Section 437.7, Code 2015, is amended to read as
 12 follows:

13 **437.7 Taxable value.**

14 The taxable value of such line or lines of which the ~~director~~
 15 department of revenue by this chapter is required to find the
 16 value, shall be determined by taking the percentage of the
 17 actual value so ascertained, as provided by section 441.21,
 18 and the ratio between the actual value and the assessed or
 19 taxable value of the transmission line or lines of each of said
 20 companies located outside of cities shall be the same as in the
 21 case of the property of private individuals.

22 Sec. 42. Section 437.8, Code 2015, is amended to read as
 23 follows:

24 **437.8 Hearing.**

25 At the time of determination of value by the ~~director~~
 26 department of revenue, any company interested shall have the
 27 right to appear by its officers, agents, and attorneys before
 28 the ~~director~~ department, and be heard on the question of the
 29 value of its property for taxation.

30 Sec. 43. Section 437.9, Code 2015, is amended to read as
 31 follows:

32 **437.9 County assessment — certification.**

33 The ~~director~~ department of revenue shall, for the purpose
 34 of determining what amount shall be assessed to any one of
 35 said companies in each county of the state into which the

1 line or lines of the company extend, multiply the assessed or
2 taxable value per mile of line of said company, as ascertained
3 according to the provisions of this chapter, by the number of
4 miles of line in each of said counties, and the result thereof
5 shall be by the ~~director~~ department certified to the several
6 county auditors of the respective counties into, over, or
7 through which said line or lines extend.

8 Sec. 44. Section 437.10, Code 2015, is amended to read as
9 follows:

10 **437.10 Entry of certificate.**

11 At the first meeting of the board of supervisors held after
12 said statements are received by the county auditor, the board
13 shall cause such statement to be entered in its minute book
14 and make and enter in the minute book an order stating the
15 length of the lines and the assessed value of the property
16 of each of the companies situated in each township or lesser
17 taxing district in each county outside cities, as fixed by the
18 ~~director~~ department of revenue, which shall constitute the
19 taxable value of the property for taxing purposes. The county
20 auditor shall transmit a copy of the order to the trustees of
21 each township and to the proper taxing boards in lesser taxing
22 districts into which the line or lines of the company extend
23 in the county. The taxes on the property when collected by the
24 county treasurer shall be disposed of as other taxes on real
25 estate.

26 Sec. 45. Section 437.12, Code 2015, is amended to read as
27 follows:

28 **437.12 Assessment exclusive.**

29 Every transmission line or part of a transmission line,
30 of which the ~~director~~ department of revenue is required by
31 this chapter to find the value, shall be exempt from other
32 assessment or taxation either under sections 428.24 to 428.26,
33 or under any other law of this state except as provided in this
34 chapter.

35 Sec. 46. Section 438.3, unnumbered paragraph 1, Code 2015,

1 is amended to read as follows:

2 Every pipeline company having lines in the state of Iowa
3 shall annually, on or before the first day of April in each
4 year, make out and deliver to the ~~director~~ department of
5 revenue a statement, verified by the oath of an officer or
6 agent of such pipeline company making such statement, showing
7 in detail for the year ended December 31 next preceding:

8 Sec. 47. Section 438.4, Code 2015, is amended to read as
9 follows:

10 **438.4 Real estate holdings.**

11 Every pipeline company required by law to report to the
12 ~~director~~ department of revenue under the provisions of this
13 chapter shall, on or before the first day of April 1932, make
14 to the ~~director~~ department a detailed statement showing the
15 amount of real estate owned or used by it on December 31, 1931,
16 for pipeline purposes, the county in which said real estate
17 is situated, including the rights-of-way, pumping or station
18 grounds, buildings, storage or tank yards, equipment grounds
19 for any and all purposes, with the estimated actual value
20 thereof, in such manner as may be required by the ~~director~~
21 department.

22 Sec. 48. Section 438.5, Code 2015, is amended to read as
23 follows:

24 **438.5 Statement deemed permanent.**

25 Only one such detailed statement by any pipeline company
26 shall be necessary, and when received by the ~~director~~
27 department of revenue, it shall become the record of the
28 pipeline lands of such company, and be deemed as annually
29 thereafter reported for valuation and assessment by the
30 ~~director~~ department.

31 Sec. 49. Section 438.6, Code 2015, is amended to read as
32 follows:

33 **438.6 Additional corrective statements.**

34 On or before the first day of April of each subsequent
35 year, such company shall, in like manner, report all real

1 estate acquired for any of the pipeline purposes above named
2 during the preceding calendar year; and also, a list of any
3 real estate, previously reported, disposed of during the same
4 period, which disposition shall be noted by the ~~director~~
5 department of revenue in an appropriate column opposite to the
6 description of said tract in the original report of the same
7 in the record of pipeline land.

8 Sec. 50. Section 438.7, Code 2015, is amended to read as
9 follows:

10 **438.7 Consolidated list of real estate.**

11 The ~~director~~ department of revenue shall, by some convenient
12 method of binding, arrange the statements required to be made
13 by sections 438.4 to 438.6 so as to form a consolidated list of
14 all real estate reported to the ~~director~~ department as being
15 owned or used for pipeline purposes within the state of Iowa.

16 Sec. 51. Section 438.8, Code 2015, is amended to read as
17 follows:

18 **438.8 Gross earnings.**

19 For the purpose of making reports to the ~~director~~ department
20 of revenue, the gross earnings of a pipeline company, owning or
21 operating a line or lines within this state, shall be computed
22 and reported by said company upon such bases as the director
23 may by rule require.

24 Sec. 52. Section 438.9, Code 2015, is amended to read as
25 follows:

26 **438.9 Accounts — regulation.**

27 The director of revenue may prescribe such rules with
28 respect to the keeping of accounts by the pipeline companies
29 doing business or having property in this state as will insure
30 the accurate division of the accounts and the information to be
31 reported, and uniformity in reporting the same to the ~~director~~
32 department.

33 Sec. 53. Section 438.11, Code 2015, is amended to read as
34 follows:

35 **438.11 Refusal to comply — penalty.**

1 If any pipeline company shall fail or refuse to obey and
2 conform to the rules, method and requirements so made and
3 prescribed by the director of revenue under the provisions
4 of this chapter, or to make the reports herein provided, the
5 ~~director~~ department shall proceed to assess the property of
6 such pipeline company so failing or refusing, according to
7 the best information obtainable, and shall then add to the
8 ~~director's~~ department's valuation of such pipeline company
9 twenty-five percent thereof, which valuation and penalty
10 shall be separately shown, and together shall constitute the
11 assessment for that year.

12 Sec. 54. Section 438.12, Code 2015, is amended to read as
13 follows:

14 **438.12 Amended and explanatory statements.**

15 The ~~director~~ department of revenue may demand, in writing,
16 detailed, explanatory and amended statements of any of the
17 items mentioned in section 438.3, or any other item deemed
18 to be important, to be furnished to the ~~director~~ department
19 by such pipeline company within thirty days from such demand
20 in such form as the ~~director~~ department may designate, which
21 shall be verified as required for the original statement. The
22 returns, both original and amended, shall show such other facts
23 as the ~~director~~ department, in writing, shall require.

24 Sec. 55. Section 438.13, Code 2015, is amended to read as
25 follows:

26 **438.13 Basis of valuation and assessment.**

27 The said property shall be valued at its actual value,
28 and the assessments shall be made upon the taxable value
29 of the entire pipeline property within the state, except
30 as otherwise provided, and the actual and taxable value so
31 ascertained shall be assessed as provided by section 441.21;
32 and shall include the rights-of-way, easements, the pipelines,
33 stations, grounds, shops, buildings, pumps and all other
34 property, real and personal exclusively used in the operation
35 of such pipeline. In assessing said pipeline company and its

1 equipment, the ~~director~~ department of revenue shall take into
2 consideration the gross earnings and the net earnings for the
3 entire property, and per mile, for the year ending December 31
4 preceding, and any and all other matters necessary to enable
5 the ~~director~~ department to make a just and equitable assessment
6 of said pipeline property.

7 Sec. 56. Section 438.14, Code 2015, is amended to read as
8 follows:

9 **438.14 Valuation and certification.**

10 The ~~director~~ department of revenue shall on or before
11 October 31 each year determine the value of pipeline property
12 located in each taxing district of the state, and in fixing the
13 value shall take into consideration the structures, equipment,
14 pumping stations, etc., located in the taxing district, and
15 shall transmit to the county auditor of each such county
16 through and into which any pipeline may extend, a statement
17 showing the assessed value of the property in each of the
18 taxing districts of the county. The property shall then be
19 taxed in the county and lesser taxing districts, based upon
20 the valuation so certified, in the same manner as in other
21 property.

22 Sec. 57. Section 438.15, Code 2015, is amended to read as
23 follows:

24 **438.15 Assessed value in each taxing district — record.**

25 At the first meeting of the board of supervisors held after
26 said statement is received by the county auditor, the board
27 shall cause the same to be entered on its minute book, and
28 make and enter in the minute book an order describing and
29 stating the assessed value of each pipeline lying in each city,
30 township, or lesser taxing district in its county, through
31 or into which the pipeline extends, as fixed by the ~~director~~
32 department of revenue, which shall constitute the assessed
33 value of the property for taxing purposes; and the taxes on
34 the property, when collected by the county treasurer, shall be
35 disposed of as other taxes. The county auditor shall transmit

1 a copy of the order to the council of the city, or the trustees
2 of the township, as the case may be.

3 Sec. 58. Section 441.17, subsection 9, Code 2015, is amended
4 to read as follows:

5 9. Furnish to the ~~director~~ department of revenue any
6 information which the assessor may have relative to the
7 ownership of any property that may be assessable within this
8 state, but not assessable or subject to being listed for
9 taxation by the assessor.

10 Sec. 59. Section 441.21, subsection 1, paragraph i,
11 subparagraphs (2), (4), and (5), Code 2015, are amended to read
12 as follows:

13 (2) The conference board shall respond to the department
14 within thirty days of receipt of the notice of noncompliance.
15 The conference board may respond to the notice by asserting
16 that the assessor is in compliance with the rules, guidelines,
17 and forms of the department or by informing the department that
18 the conference board intends to submit a plan of action to
19 achieve compliance. If the conference board responds to the
20 notification by asserting that the assessor is in compliance, a
21 hearing before the director of revenue shall be scheduled on
22 the matter. Judicial review of the decision of the director
23 of revenue may be sought by the conference board in accordance
24 with chapter 17A.

25 (4) By January 1 of the assessment year following
26 the calendar year in which the plan was submitted to the
27 department, the conference board shall submit a report to the
28 department indicating that the plan of action was followed and
29 compliance has been achieved. The department may conduct a
30 field inspection to ensure that the assessor is in compliance.
31 By January 31, the department shall notify the assessor and the
32 conference board, by restricted certified mail, either that
33 compliance has been achieved or that the assessor remains in
34 noncompliance. If the department determines that the assessor
35 remains in noncompliance, the department shall take steps

1 to withhold up to five percent of the reimbursement payment
2 authorized in section 425.1 until the ~~director~~ department of
3 revenue determines that the assessor is in compliance.

4 (5) If the conference board disputes the determination
5 of the department, the chairperson of the conference board
6 may appeal the determination to the ~~state board of tax~~
7 review director of revenue within thirty days from the date
8 of the notice that the assessor remains in noncompliance.
9 The director of revenue shall grant a hearing, and upon
10 hearing shall determine the correctness of the department's
11 determination of noncompliance. The director of revenue shall
12 notify the conference board of the decision by mail. Judicial
13 review of the decision of the director of revenue may be sought
14 by the chairperson of the conference board in accordance with
15 chapter 17A.

16 Sec. 60. Section 441.21, subsection 4, Code 2015, is amended
17 to read as follows:

18 4. For valuations established as of January 1, 1979,
19 the percentage of actual value at which agricultural and
20 residential property shall be assessed shall be the quotient
21 of the dividend and divisor as defined in this section. The
22 dividend for each class of property shall be the dividend
23 as determined for each class of property for valuations
24 established as of January 1, 1978, adjusted by the product
25 obtained by multiplying the percentage determined for that
26 year by the amount of any additions or deletions to actual
27 value, excluding those resulting from the revaluation of
28 existing properties, as reported by the assessors on the
29 abstracts of assessment for 1978, plus six percent of the
30 amount so determined. However, if the difference between the
31 dividend so determined for either class of property and the
32 dividend for that class of property for valuations established
33 as of January 1, 1978, adjusted by the product obtained by
34 multiplying the percentage determined for that year by the
35 amount of any additions or deletions to actual value, excluding

1 those resulting from the revaluation of existing properties,
2 as reported by the assessors on the abstracts of assessment
3 for 1978, is less than six percent, the 1979 dividend for the
4 other class of property shall be the dividend as determined for
5 that class of property for valuations established as of January
6 1, 1978, adjusted by the product obtained by multiplying
7 the percentage determined for that year by the amount of
8 any additions or deletions to actual value, excluding those
9 resulting from the revaluation of existing properties, as
10 reported by the assessors on the abstracts of assessment for
11 1978, plus a percentage of the amount so determined which is
12 equal to the percentage by which the dividend as determined
13 for the other class of property for valuations established
14 as of January 1, 1978, adjusted by the product obtained by
15 multiplying the percentage determined for that year by the
16 amount of any additions or deletions to actual value, excluding
17 those resulting from the revaluation of existing properties,
18 as reported by the assessors on the abstracts of assessment
19 for 1978, is increased in arriving at the 1979 dividend for
20 the other class of property. The divisor for each class of
21 property shall be the total actual value of all such property
22 in the state in the preceding year, as reported by the
23 assessors on the abstracts of assessment submitted for 1978,
24 plus the amount of value added to said total actual value by
25 the revaluation of existing properties in 1979 as equalized
26 by the director of revenue pursuant to section 441.49. The
27 director shall utilize information reported on abstracts of
28 assessment submitted pursuant to section 441.45 in determining
29 such percentage. For valuations established as of January 1,
30 1980, and each assessment year thereafter beginning before
31 January 1, 2013, the percentage of actual value as equalized
32 by the director of revenue as provided in section 441.49 at
33 which agricultural and residential property shall be assessed
34 shall be calculated in accordance with the methods provided
35 in this subsection, including the limitation of increases in

1 agricultural and residential assessed values to the percentage
2 increase of the other class of property if the other class
3 increases less than the allowable limit adjusted to include
4 the applicable and current values as equalized by the director
5 of revenue, except that any references to six percent in this
6 subsection shall be four percent. For valuations established
7 as of January 1, 2013, and each assessment year thereafter,
8 the percentage of actual value as equalized by the ~~director~~
9 department of revenue as provided in section 441.49 at which
10 agricultural and residential property shall be assessed shall
11 be calculated in accordance with the methods provided in
12 this subsection, including the limitation of increases in
13 agricultural and residential assessed values to the percentage
14 increase of the other class of property if the other class
15 increases less than the allowable limit adjusted to include
16 the applicable and current values as equalized by the ~~director~~
17 department of revenue, except that any references to six
18 percent in this subsection shall be three percent.

19 Sec. 61. Section 441.21, subsection 5, paragraphs b and c,
20 Code 2015, are amended to read as follows:

21 *b.* For valuations established on or after January 1, 2013,
22 commercial property, excluding properties referred to in
23 section 427A.1, subsection 8, shall be assessed at a percentage
24 of its actual value, as determined in this paragraph "b".

25 For valuations established for the assessment year beginning
26 January 1, 2013, the percentage of actual value as equalized
27 by the ~~director~~ department of revenue as provided in section
28 441.49 at which commercial property shall be assessed shall
29 be ninety-five percent. For valuations established for the
30 assessment year beginning January 1, 2014, and each assessment
31 year thereafter, the percentage of actual value as equalized
32 by the ~~director~~ department of revenue as provided in section
33 441.49 at which commercial property shall be assessed shall be
34 ninety percent.

35 *c.* For valuations established on or after January 1, 2013,

1 industrial property, excluding properties referred to in
 2 section 427A.1, subsection 8, shall be assessed at a percentage
 3 of its actual value, as determined in this paragraph "c".
 4 For valuations established for the assessment year beginning
 5 January 1, 2013, the percentage of actual value as equalized
 6 by the ~~director~~ department of revenue as provided in section
 7 441.49 at which industrial property shall be assessed shall
 8 be ninety-five percent. For valuations established for the
 9 assessment year beginning January 1, 2014, and each assessment
 10 year thereafter, the percentage of actual value as equalized
 11 by the ~~director~~ department of revenue as provided in section
 12 441.49 at which industrial property shall be assessed shall be
 13 ninety percent.

14 Sec. 62. Section 441.21, subsection 10, Code 2015, is
 15 amended to read as follows:

16 10. The percentage of actual value computed by the
 17 ~~director~~ department of revenue for agricultural property,
 18 residential property, commercial property, industrial property,
 19 multiresidential property, property valued by the department
 20 of revenue pursuant to chapter 434, and property valued by the
 21 department of revenue pursuant to chapters 428, 433, 437, and
 22 438 and used to determine assessed values of those classes
 23 of property does not constitute a rule as defined in section
 24 17A.2, subsection 11.

25 Sec. 63. Section 441.21, subsection 13, paragraph b, Code
 26 2015, is amended to read as follows:

27 b. For valuations established for the assessment year
 28 beginning January 1, 2015, the percentage of actual value
 29 as equalized by the ~~director~~ department of revenue as
 30 provided in section 441.49 at which multiresidential property
 31 shall be assessed shall be the greater of eighty-six and
 32 twenty-five hundredths percent or the percentage of actual
 33 value determined by the ~~director~~ department of revenue at which
 34 property assessed as residential property is assessed for
 35 the same assessment year under subsection 4. For valuations

1 established for the assessment year beginning January 1,
2 2016, the percentage of actual value as equalized by the
3 ~~director~~ department of revenue as provided in section 441.49
4 at which multiresidential property shall be assessed shall
5 be the greater of eighty-two and five-tenths percent or
6 the percentage of actual value determined by the ~~director~~
7 department of revenue at which property assessed as residential
8 property is assessed for the same assessment year under
9 subsection 4. For valuations established for the assessment
10 year beginning January 1, 2017, the percentage of actual
11 value as equalized by the ~~director~~ department of revenue as
12 provided in section 441.49 at which multiresidential property
13 shall be assessed shall be the greater of seventy-eight and
14 seventy-five hundredths percent or the percentage of actual
15 value determined by the ~~director~~ department of revenue at which
16 property assessed as residential property is assessed for
17 the same assessment year under subsection 4. For valuations
18 established for the assessment year beginning January 1, 2018,
19 the percentage of actual value as equalized by the ~~director~~
20 department of revenue as provided in section 441.49 at which
21 multiresidential property shall be assessed shall be the
22 greater of seventy-five percent or the percentage of actual
23 value determined by the ~~director~~ department of revenue at which
24 property assessed as residential property is assessed for
25 the same assessment year under subsection 4. For valuations
26 established for the assessment year beginning January 1, 2019,
27 the percentage of actual value as equalized by the ~~director~~
28 department of revenue as provided in section 441.49 at which
29 multiresidential property shall be assessed shall be the
30 greater of seventy-one and twenty-five hundredths percent or
31 the percentage of actual value determined by the ~~director~~
32 department of revenue at which property assessed as residential
33 property is assessed for the same assessment year under
34 subsection 4. For valuations established for the assessment
35 year beginning January 1, 2020, the percentage of actual value

1 as equalized by the ~~director~~ department of revenue as provided
 2 in section 441.49 at which multiresidential property shall be
 3 assessed shall be the greater of sixty-seven and five-tenths
 4 percent or the percentage of actual value determined by the
 5 ~~director~~ department of revenue at which property assessed
 6 as residential property is assessed for the same assessment
 7 year under subsection 4. For valuations established for the
 8 assessment year beginning January 1, 2021, the percentage
 9 of actual value as equalized by the ~~director~~ department of
 10 revenue as provided in section 441.49 at which multiresidential
 11 property shall be assessed shall be the greater of sixty-three
 12 and seventy-five hundredths percent or the percentage of actual
 13 value determined by the ~~director~~ department of revenue at which
 14 property assessed as residential property is assessed for
 15 the same assessment year under subsection 4. For valuations
 16 established for the assessment year beginning January 1, 2022,
 17 and each assessment year thereafter, the percentage of actual
 18 value as equalized by the ~~director~~ department of revenue as
 19 provided in section 441.49 at which multiresidential property
 20 shall be assessed shall be equal to the percentage of actual
 21 value determined by the ~~director~~ department of revenue at which
 22 property assessed as residential property is assessed under
 23 subsection 4 for the same assessment year.

24 Sec. 64. Section 441.24, subsection 1, Code 2015, is amended
 25 to read as follows:

26 1. If a person refuses to furnish the verified statements
 27 required in connection with the assessment of property by the
 28 assessor, or to list the corporation's or person's property,
 29 the ~~director~~ department of revenue, or assessor, as the case
 30 may be, shall proceed to list and assess the property according
 31 to the best information obtainable, and shall add to the
 32 taxable valuation one hundred percent thereof, which valuation
 33 and penalty shall be separately shown, and shall constitute the
 34 assessment; and if the valuation of the property is changed by
 35 a board of review, or on appeal from a board of review, a like

1 penalty shall be added to the valuation thus fixed.

2 Sec. 65. Section 441.26, subsections 2 and 3, Code 2015, are
3 amended to read as follows:

4 2. The notice in 1981 and each odd-numbered year thereafter
5 shall contain a statement that the assessments are subject
6 to equalization pursuant to an order issued by the ~~director~~
7 department of revenue, that the county auditor shall give
8 notice on or before October 15 by publication in an official
9 newspaper of general circulation to any class of property
10 affected by the equalization order, and that the board of
11 review shall be in session from October 15 to November 15 to
12 hear protests of affected property owners or taxpayers whose
13 valuations have been adjusted by the equalization order.

14 3. The assessment rolls shall be used in listing the
15 property and showing the values affixed to the property of all
16 persons assessed. The rolls shall be made in duplicate. The
17 duplicate roll shall be signed by the assessor, detached from
18 the original and delivered to the person assessed if there has
19 been an increase or decrease in the valuation of the property.
20 If there has been no change in the valuation, the information
21 on the roll may be printed on computer stock paper and
22 preserved as required by this chapter. If the person assessed
23 requests in writing a copy of the roll, the copy shall be
24 provided to the person. The pages of the assessor's assessment
25 book shall contain columns ruled and headed for the information
26 required by this chapter and that which the ~~director~~ department
27 of revenue deems essential in the equalization work of the
28 ~~director~~ department. The assessor shall return all assessment
29 rolls and schedules to the county auditor, along with the
30 completed assessment book, as provided in this chapter, and the
31 county auditor shall carefully keep and preserve the rolls,
32 schedules, and book for a period of five years from the time of
33 its filing in the county auditor's office.

34 Sec. 66. Section 441.47, unnumbered paragraph 1, Code 2015,
35 is amended to read as follows:

1 The ~~director~~ department of revenue on or about August
2 15, 1977, and every two years thereafter shall order the
3 equalization of the levels of assessment of each class of
4 property in the several assessing jurisdictions by adding to
5 or deducting from the valuation of each class of property such
6 percentage in each case as may be necessary to bring the same
7 to its taxable value as fixed in this chapter and chapters
8 427 to 443. The ~~director~~ department shall adjust to actual
9 value the valuation of any class of property as set out in
10 the abstract of assessment when the valuation is at least
11 five percent above or below actual value as determined by the
12 ~~director~~ department. For purposes of such value adjustments
13 and before such equalization the director shall adopt, in
14 the manner prescribed by chapter 17A, such rules as may be
15 necessary to determine the level of assessment for each class
16 of property in each county. The rules shall cover:

17 Sec. 67. Section 441.47, subsection 3, Code 2015, is amended
18 to read as follows:

19 3. The proposed use of other methods that would assist
20 the ~~director~~ department in arriving at the accurate level
21 of assessment of each class of property in each assessing
22 jurisdiction.

23 Sec. 68. Section 441.48, Code 2015, is amended to read as
24 follows:

25 **441.48 Notice of adjustment.**

26 Before the ~~director~~ department of revenue shall adjust the
27 valuation of any class of property any such percentage, the
28 ~~director~~ department shall serve ten days' notice by mail, on
29 the county auditor of the county whose valuation is proposed
30 to be adjusted and the ~~director~~ department shall hold an
31 adjourned meeting after such ten days' notice, at which time
32 the county or assessing jurisdiction may appear by its city
33 council or board of supervisors, city or county attorney, and
34 other assessing jurisdiction, city or county officials, and
35 make written or oral protest against such proposed adjustment,

1 which protest shall consist simply of a statement of the error,
2 or errors, complained of with such facts as may lead to their
3 correction, and at such adjourned meeting final action may be
4 taken in reference thereto.

5 Sec. 69. Section 441.49, subsections 1, 4, 5, and 6, Code
6 2015, are amended to read as follows:

7 1. a. The ~~director~~ department shall keep a record of the
8 review and adjustment proceedings and finish the proceedings
9 on or before October 1 unless for good cause the proceedings
10 cannot be completed by that date. The ~~director~~ department
11 shall notify each county auditor by mail of the final action
12 taken at the proceedings and specify any adjustments in the
13 valuations of any class of property to be made effective for
14 the jurisdiction.

15 b. However, an assessing jurisdiction may request the
16 ~~director~~ department to permit the use of an alternative method
17 of applying the equalization order to the property values in
18 the assessing jurisdiction, provided that the final valuation
19 shall be equivalent to the ~~director's~~ department's equalization
20 order. The assessing jurisdiction shall notify the county
21 auditor of the request for the use of an alternative method of
22 applying the equalization order and the ~~director's~~ department's
23 disposition of the request. The request to use an alternative
24 method of applying the equalization order, including procedures
25 for notifying affected property owners and appealing valuation
26 adjustments, shall be made within ten days from the date
27 the county auditor receives the equalization order and
28 the valuation adjustments, and appeal procedures shall be
29 completed by November 30 of the year of the equalization order.
30 Compliance with the provisions of section 441.21 is sufficient
31 grounds for the ~~director~~ department to permit the use of an
32 alternative method of applying the equalization order.

33 4. The local board of review shall reconvene in special
34 session from October 15 to November 15 for the purpose of
35 hearing the protests of affected property owners or taxpayers

1 within the jurisdiction of the board whose valuation of
2 property if adjusted pursuant to the equalization order issued
3 by the ~~director~~ department of revenue will result in a greater
4 value than permitted under section 441.21. The board of review
5 shall accept protests only during the first ten days following
6 the date the local board of review reconvenes. The board
7 of review shall limit its review to only the timely filed
8 protests. The board of review may adjust all or a part of
9 the percentage increase ordered by the ~~director~~ department of
10 revenue by adjusting the actual value of the property under
11 protest to one hundred percent of actual value. Any adjustment
12 so determined by the board of review shall not exceed the
13 percentage increase provided for in the ~~director's~~ department's
14 equalization order. The determination of the board of review
15 on filed protests is final, subject to appeal to the property
16 assessment appeal board. A final decision by the local board
17 of review, or the property assessment appeal board, if the
18 local board's decision is appealed, is subject to review by the
19 director of revenue for the purpose of determining whether the
20 board's actions substantially altered the equalization order.
21 In making the review, the director has all the powers provided
22 in chapter 421, and in exercising the powers the director
23 is not subject to chapter 17A. Not later than fifteen days
24 following the adjournment of the board, the board of review
25 shall submit to the director of revenue, on forms prescribed
26 by the director, a report of all actions taken by the board of
27 review during this session.

28 5. Not later than ten days after the date the final
29 equalization order is issued, the city or county officials
30 of the affected county or assessing jurisdiction may appeal
31 the final equalization order to the ~~state board of tax~~
32 ~~review~~ director of revenue. The appeal shall not delay the
33 implementation of the equalization orders. The director shall
34 grant a hearing, and upon hearing the director shall determine
35 the correctness of the final equalization order, and notify

1 city or county officials of the affected county or assessing
2 jurisdiction of the decision by mail. Judicial review of the
3 decision of the director of revenue may be sought by the city
4 or county officials in accordance with chapter 17A.

5 6. Tentative and final equalization orders issued by the
6 ~~director~~ department of revenue are not rules as defined in
7 section 17A.2, subsection 7.

8 Sec. 70. EFFECTIVE DATES.

9 1. Except as provided in subsection 2, this division of this
10 Act, being deemed of immediate importance, takes effect upon
11 enactment.

12 2. The following provisions of this division of this Act
13 take effect July 1, 2016:

14 a. The section of this Act amending section 68B.35.

15 b. The section of this Act amending section 421.60.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with
18 the explanation's substance by the members of the general assembly.

19 This bill provides for the future repeal of the state board
20 of tax review, appeals to the director of revenue (director)
21 for certain tax matters, and modifies the powers and duties of
22 the director.

23 DIVISION I — FUTURE REPEAL OF STATE BOARD OF TAX REVIEW
24 — TRANSITION. Division I provides for the future repeal of
25 the state board of tax review. The state board of tax review
26 (board) is an independent, bipartisan board consisting of
27 three members appointed by the governor and confirmed by the
28 senate. One of the powers and duties of the board is to review
29 final decisions of the director, including but not limited
30 to final decisions issued by the director in a contested
31 case proceeding. The board also has original jurisdiction
32 to review the director's assessments of centrally assessed
33 property, which means the taxpayer appeals the assessment of
34 the director directly to the board. An appeal must be made to
35 the board within 30 days of a director's decision in order to

1 be considered timely. Both the taxpayer and the director have
2 the right to appeal a decision of the board to district court.

3 The division prohibits the board from accepting cases for
4 review, and prohibits a taxpayer from filing an appeal with the
5 board, on or after the effective date of the division. The
6 board is repealed and dissolved on the date that it disposes of
7 all pending cases or on July 1, 2016, whichever occurs earlier.
8 The division takes effect immediately upon enactment.

9 DIVISION II — CORRESPONDING CHANGES. Division II makes
10 corresponding changes to Code sections that reference the board
11 and provides for appeals to the director for certain actions
12 that are appealed directly to the board under current law.

13 The division removes members of the board from the
14 requirement to file certain financial statements with the
15 ethics and campaign disclosure board. The division also
16 strikes references to the board from the ability of a
17 prevailing taxpayer to be awarded litigation costs in certain
18 proceedings. These provisions take effect July 1, 2016.

19 The division amends the procedures for appealing the
20 director's disallowance, recalculation, or denial of a
21 homestead property tax credit, property tax credit or rent
22 reimbursement for elderly and disabled, military service
23 property tax exemption, or business property tax credit.
24 Current law provides that these decisions are made by the
25 director and may be appealed to the board. The division
26 provides that these decisions will be made by the department
27 of revenue (department) and may be appealed to the director
28 within 30 days of the notice of disallowance, recalculation,
29 or denial. If such an appeal is made, the director is
30 required to grant a hearing and determine the correctness of
31 the disallowance, recalculation, or denial. The director's
32 decisions are subject to judicial review.

33 The division amends procedures and rules for appealing the
34 director's assessment of telegraph and telephone companies
35 (Code chapter 433), railway companies (Code chapter 434),

1 electric transmission line companies (Code chapter 437),
2 pipeline companies (Code chapter 438), and certain other
3 property assessed by the director (Code chapter 428).
4 Current law provides that these tax assessments are made by
5 the director and shall be appealed directly to the board,
6 and provides for certain additional rules that apply to
7 proceedings before the board. The division provides that
8 these tax assessments will be made by the department and shall
9 be appealed to the director and provides that the existing
10 additional rules shall apply to appeal proceedings before the
11 director. The director's decisions are subject to judicial
12 review.

13 The division specifies that a city or county conference
14 board may seek judicial review of the decision of the director
15 following a hearing to determine a city or county assessor's
16 noncompliance with the rules for valuation of property.
17 The division also amends the procedures for appealing a
18 determination by the department of revenue that an assessor
19 remains in noncompliance following a plan of action by a
20 conference board to achieve compliance. Current law provides
21 that such a determination may be appealed to the board. The
22 division provides that the decision may be appealed to the
23 director within 30 days of the notice of noncompliance. The
24 director is required to grant a hearing and determine the
25 correctness of the noncompliance determination. Judicial
26 review may be sought by the chairperson of the conference
27 board.

28 The division amends the procedures for equalizing property
29 and appealing a final equalization order of the director.
30 Current law provides that the equalization of property and the
31 issuance of equalization orders are done by the director and
32 that such orders may be appealed to the board. The division
33 provides that the equalization of property will be done by the
34 department and that the equalization orders will be issued
35 by the department and may be appealed to the director. The

1 director is required to grant a hearing and determine the
2 correctness of the final equalization order. Judicial review
3 of the director's decision may be sought by the city or county
4 officials.

5 The division also amends the duties and powers of the
6 director with regard to the appeal of a final equalization
7 order. Current law provides that certain rules relating to
8 contested case proceedings in Code chapter 17A (administrative
9 procedures Act) do not apply to matters involving the
10 equalization of property, except in a hearing before the board.
11 The division provides that the contested case proceeding rules
12 will apply in a hearing before the director from an appeal of a
13 final equalization order, and provides for the future repeal on
14 July 1, 2016, of the reference to the board's exemption from
15 those rules.

16 Except as otherwise provided in the division, the division
17 takes effect immediately upon enactment.